WHAT IS CLAIMED IS:

1.   A system comprising:

a lottery data processing system;

a controller including a storage device storing merchandise information, said controller adapted to receive lottery information from said lottery data processing system;

at least one POS terminal connected to said controller, for performing merchandise transactions and lottery transactions in accordance with the received lottery information; and

said POS terminal including a recorder for recording on a recording medium the merchandise and lottery information.

2.   The system according to Claim 1, wherein said controller communicates in substantially real-time with said lottery data processing system.

3.   The system according to Claim 1, wherein the storage device stores lottery information received from said lottery data processing system that includes randomly selected lottery ticket numbers.

4.   The system according to Claim 2, wherein said POS

terminal is adapted for input of customer-selected lottery numbers, said controller is adapted to transmit the customer-selected lottery numbers to said lottery data processing system, and said controller is adapted to receive from said lottery data processing system an encrypted authentication code and authorization to perform the lottery transaction.

5. The system according to Claim 1, wherein said controller is a store network server.

6. A method for performing a lottery transaction, comprising the steps of:

initiating the lottery transaction at a POS terminal adapted to perform both lottery transactions and merchandise transactions;

communicating from the POS terminal to a POS controller, operatively connected to said POS terminal, that the lottery transaction has been initiated;

establishing communication between the POS controller and a lottery data processing system adapted to communicate with the POS controller;

requesting lottery information be transmitted from the lottery data processing system to the POS controller;

generating the lottery information in the lottery data processing system;

transmitting the lottery information from the lottery data processing system to the POS terminal via the POS controller; and

outputting the lottery information on a recording medium by the POS terminal.

7.   The method according to Claim 6, wherein said generating step comprises generating lottery information that includes randomly selected lottery numbers and an encrypted authentication code.

8.   The method according to Claim 6, wherein said outputting step comprises outputting a recording medium comprising a sales receipt having information relating to the lottery transaction and a merchandise transaction.

9.   A method according to Claim 6, further comprising the steps of:

inputting customer-selected lottery numbers to the POS terminal;

sending the customer-selected lottery numbers to the lottery data processing system; and

wherein said generating step comprises generating lottery information that includes an authorization to complete the lottery transaction using the customer-selected lottery numbers and an encrypted

authentication code related to the customer-selected
lottery numbers.

10.   A method according to Claim 6 further comprising the
steps of:

inputting into the POS terminal an indication of a
percentage of a full price lottery ticket;

sending the indication to the lottery data processing
system; and

wherein said generating step comprises generating
lottery information that includes an authorization for a
fractional lottery ticket transaction.

11.   A lottery data processing system comprising:

a lottery controller including a CPU and a memory
operatively connected to said CPU;

said lottery controller adapted to communicate with
at least one remote controller that includes a storage
device for storing merchandise information, said lottery
controller adapted to receive a request for lottery
information from said remote controller and to transmit, in
response, the lottery information to said remote
controller; and

said memory in said lottery controller containing a
program, adapted to be executed by said CPU, for processing
the request for the lottery information, generating the

requested lottery information, and maintaining a database within said memory to store the requested lottery information.

12. The system according to Claim 11, wherein said program in said memory is adapted to generate lottery information that includes at least one group of randomly selected lottery numbers and an encrypted authentication code for transmittal to said remote controller.

13. The system according to Claim 11, wherein said lottery controller is adapted to receive from said remote controller at least one group of customer-selected lottery numbers.

14. The system according to Claim 13, wherein said program in said memory is adapted to generate lottery information that includes an authorization to complete a lottery transaction related to the request for the lottery information and an encrypted authentication code related to the group of customer-selected lottery numbers for transmittal to said remote controller.

15. The system according to Claim 12, further comprising:
an IVRU operatively connected to said lottery controller and to a PSTN;

wherein said lottery controller is adapted to receive an alphanumeric code from said PSTN via said IVRU; and

said program in said memory is further adapted to search said database within said memory to find a stored encrypted authentication code that matches the alphanumeric code, and if a match is found, decrypt the alphanumeric code, and send a first message to said PSTN via said IVRU, otherwise send a second message to said PSTN via said IVRU.

16.   The system according to Claim 14, further comprising:

an IVRU operatively connected to said lottery network controller and to a PSTN;

wherein said lottery controller is adapted to receive an alphanumeric code from said PSTN via said IVRU; and

said program in said memory is further adapted to search said database within said memory to find a stored encrypted authentication code that matches the alphanumeric code, and if a match is found, decrypt the alphanumeric code, and send a first message to said PSTN via said IVRU, otherwise send a second message to said PSTN via said IVRU.

17.   The system according to Claim 15, wherein the first message includes information based on the decrypted alphanumeric code.

18.   The system according to Claim 15, wherein the second

message includes an indication that no match was found.

19. The system according to Claim 15, wherein the first message comprises an indication as to whether the alphanumeric code is from a winning lottery ticket.

20. A method for processing a request for lottery information using a lottery controller including a CPU and a memory operatively connected to said CPU, wherein the memory contains a program, adapted to be executed by said CPU, for processing lottery information requests, said method comprising the steps of:

receiving a request for lottery information from a data processing system adapted to perform lottery ticket transactions and merchandise transactions;

generating lottery information based on the request for lottery information;

storing the lottery information in the memory; and

transmitting the lottery information to the data processing system adapted to perform lottery ticket transactions and merchandise transactions.

21. A method for processing a lottery ticket request, comprising the steps of:

receiving a request for at least one lottery ticket;

generating randomly selected numbers to be used for

the lottery ticket;

generating an authentication code comprising the randomly selected numbers;

encrypting the authentication code;

storing the randomly selected numbers and the encrypted authentication code in a storage device; and

outputting the randomly selected numbers and the encrypted authentication code.

22. A method according to Claim 21, wherein the request in said receiving step is for a fractional lottery ticket.

23. Computer executable process steps, stored on a computer readable medium, for processing lottery ticket transactions, comprising:

a step to receive a lottery ticket request;

a step to generate randomly selected lottery numbers;

a step to generate an authentication code based upon the randomly selected lottery numbers;

a step to encrypt the authentication code;

a step to store the randomly selected lottery numbers and the encrypted authentication code in a storage device; and

a step to output the randomly selected lottery numbers and the encrypted authentication code.

24. Computer executable process steps according to Claim 23, wherein the lottery ticket request in said step to receive is for a fractional lottery ticket.

5   25. A system for performing lottery ticket transactions and merchandise transactions, comprising:

a POS controller including a storage device storing merchandise information and lottery information;

said POS controller adapted to communicate with a

10 lottery data processing system;

said POS controller further adapted to transmit a request for lottery information to said lottery data processing system and to receive, in response, the requested lottery information from said lottery data

15 processing system;

at least one POS terminal, operatively connected to said POS controller, for performing merchandise transactions and lottery transactions in accordance with the received lottery information; and

20 a recorder connected to said POS terminal for issuing a receipt for the merchandise and lottery transactions, said receipt comprising the lottery information from said lottery data processing system.

25 26. A method for performing lottery ticket transactions and merchandise transactions utilizing a POS terminal

operatively connected to a POS controller including a storage device storing merchandise information, comprising the steps of:

initiating at the POS terminal a transaction for a plurality of items to be purchased, including a request to purchase at least one lottery ticket;

inputting to the POS terminal a request for lottery ticket information;

transmitting to the POS controller the request for lottery ticket information;

receiving at the POS terminal from the POS controller the requested lottery ticket information; and

recording on a recording medium the lottery ticket information and the merchandise transaction.

27.   A method according to Claim 26, further comprising the step of storing the requested lottery ticket information in the storage device of the POS controller.

28.   A data processing system, comprising:

a POS controller including a CPU and a storage device operatively connected to said CPU;

said POS controller adapted to receive from at least one POS terminal, capable of performing lottery transactions and merchandise transactions, a request for lottery information;

said POS controller further adapted to communicate the request for lottery information to a lottery data processing system that is capable of generating lottery information, and to receive, in response, the requested lottery information; and

said storage device in said POS controller containing a program, adapted to be executed by said CPU, for processing the request for the lottery information from said POS terminal.

29. A method for processing lottery ticket requests using a POS controller including a CPU and a storage device operatively connected to said CPU and containing a program, adapted to be executed by said CPU, for processing lottery ticket requests, comprising the steps of:

receiving a request for lottery information from a POS terminal performing lottery transactions and merchandise transactions;

transmitting the request to a lottery data processing system capable of generating lottery information based on the request for lottery information;

receiving the lottery information from the lottery data processing system; and

sending the lottery information to the POS terminal.

30. A transaction processing device, comprising:

a POS terminal adapted to perform lottery transactions and merchandise transactions;

said POS terminal adapted to communicate with a POS controller;

said POS terminal adapted to transmit a request for lottery information to said POS controller and to receive the requested lottery ticket information from said POS controller; and

said POS terminal including a recorder for recording on a recording medium the merchandise and lottery transactions.

31. A method for performing lottery ticket transactions and merchandise transactions utilizing a POS terminal operatively connected to a POS controller that is adapted to communicate with a lottery data processing system, comprising the steps of:

initiating at the POS terminal a transaction for a plurality of items to be purchased, including a request to purchase at least one lottery ticket;

inputting to the POS terminal a request for lottery information;

receiving at the POS terminal lottery information including an encrypted authentication code; and

recording on a recording medium the lottery information and the merchandise transaction.

32. The method according to Claim 31, wherein said inputting step comprises inputting a request for lottery information that includes randomly selected lottery numbers, and said receiving step comprises receiving the randomly selected lottery numbers and the encrypted authentication code.

33. The method according to Claim 31, wherein said inputting step comprises requesting that specific customer-selected lottery numbers be used as at least a part of the lottery information being requested.

34. The method according to Claim 31, wherein the request in said initiating step is for a factional lottery ticket.

35. The method according to Claim 34, wherein the received lottery information includes an authorization to perform a fractional lottery ticket transaction.

36. A method of purchasing a lottery ticket, comprising:
    requesting the purchase of at least one lottery ticket and at least one item of merchandise;
    receiving a recording medium constituting the lottery ticket and containing information concerning the purchase of the item of merchandise.

37. A method according to Claim 36, wherein the lottery

ticket requested in said requesting step is a fractional lottery ticket.

38.   A method of purchasing a lottery ticket comprising:

requesting the purchase of an item of merchandise; tendering an amount of money for the purchase, in excess of the purchase price;

directing that the amount of money for the purchase in excess of the purchase price be applied to the purchase of a fractional value lottery ticket; and

receiving a recording medium constituting the fractional value lottery ticket and containing information concerning the purchase of the item of merchandise.

39.   A method for authenticating a lottery ticket using a lottery central controller including a storage device, comprising the steps of:

receiving first information related to the lottery ticket;

determining whether the first information is equivalent to second information stored in the storage device, where the second information relates to a plurality of authorized lottery tickets;

if no equivalent is found, outputting a first message indicating that no match was found;

if an equivalent is found, performing a decryption

operation on the first information; and

outputting a second message based on the decryption operation.

40. The method according to Claim 39, wherein the received first information comprises an encrypted authentication code.

41. The method according to Claim 39, wherein said receiving step comprises receiving the first information via an IVRU operatively connected to a PSTN.

42. The method according to Claim 39, wherein said receiving step comprises receiving the first information from another data processing system.

43. The method according to Claim 39, wherein the second message comprises a report as to whether the lottery ticket is a winning lottery ticket.

44. The method according to Claim 40, wherein the decryption operation comprises decrypting the encrypted authentication code, and the second message comprises information based on the decrypted authentication code.

45. A receipt, comprising a recording medium, recorded thereon lottery ticket information, merchandise transaction

information and an encrypted authentication code.

46.   The receipt according to Claim 45, wherein the lottery ticket information comprises a fractional lottery ticket.

47.   A transaction processing system, comprising:

a POS terminal adapted to perform lottery ticket transactions and merchandise transactions;

an input device associated with said POS terminal for inputting information to said POS terminal related to at least one item to be purchased and an amount of money tendered to pay for the item;

said POS terminal adapted to calculate an amount of change based on the amount of money tendered to pay for the item;

said input device including an actuable member for causing said POS terminal to perform a lottery ticket transaction by applying the amount of change toward purchase of an amount of lottery tickets equal in value to the calculated amount of change; and

said POS terminal including a recorder for recording on a recording medium the merchandise transaction and the amount of lottery tickets purchased with the calculated amount of change.

48.   The system according to Claim 47, where the amount of

lottery tickets purchased ~~includes~~ a fractional lottery
ticket.

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A1

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